

AMENDED IN SENATE MAY 3, 2005
AMENDED IN SENATE APRIL 12, 2005

SENATE BILL

No. 381

Introduced by Senators Denham and Scott

February 17, 2005

An act to amend ~~Section~~ *Sections 11521.3 and 11521.6* of the Insurance Code, relating to annuities.

LEGISLATIVE COUNSEL'S DIGEST

SB 381, as amended, Denham. Charitable annuities: exemptions.

Existing law allows certain organizations and persons, known as grants and annuities societies, to receive transfers of property, conditioned upon their agreement to pay an annuity to the transferor, after obtaining a certificate of authority from the Insurance Commissioner. Existing law exempts a grants and annuities society from specified regulatory requirements if it also holds a certificate of authority as an insurer from the commissioner.

This bill would add regulatory provisions relating to the maintenance of reserves, annuity agreement terms, ~~and~~ the transaction of variable annuities, *and the filing of a specified financial statement* to the provisions from which a grants and annuities society is exempt if it also holds a certificate of authority as an insurer.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 11521.3 of the Insurance Code is*
2 *amended to read:*

1 11521.3. (a) Prior to admission each applicant shall file with
2 the commissioner an accurate and complete financial statement
3 consisting of a balance sheet and income and expense statement,
4 showing the current condition of the applicant and sworn to by
5 the officer of the applicant having the responsibility for preparing
6 the statement.

7 (b) If the applicant is already transacting a grants and annuities
8 business in another state, an accurate and complete financial
9 statement showing the condition of the present grants and
10 annuities business, sworn to by the officer having the
11 responsibility for preparing the statement, shall be submitted.

12 (c) One hundred and twenty days after the end of their fiscal
13 year, every certificate holder, *except a certificate holder that also*
14 *holds a certificate of authority pursuant to Article 3*
15 *(commencing with Section 699) of Chapter 1 of Part 2 of*
16 *Division 1*, shall make and file with the commissioner an
17 accurate and complete financial statement, consisting of a
18 balance sheet and income and expense statement, showing the
19 current condition of the certificate holder's grants and annuities
20 operation on a form prescribed by the commissioner.

21 ~~SECTION 1.~~

22 *SEC. 2.* Section 11521.6 of the Insurance Code is amended to
23 read:

24 11521.6. Nothing contained in Section 11521, 11521.1,
25 11521.2, 11521.4, 11523.6, or subdivision (e) of Section 11523
26 shall apply to any grants and annuities certificate holder that also
27 holds a certificate of authority pursuant to Article 3 (commencing
28 with Section 699) of Chapter 1 of Part 2 of Division 1.